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Market Brief - Product

Germany : Fruit Juice Market

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Hamburg [GM2], GM

Germany: Fruit Juice Market

Summary: Germany is Europe's largest market for juice, with annual retail sales valued at over \$2 billion. Apple and orange juice are the leading sellers. To supply domestic demands, Germany imports substantial quantities of juice, including product sourced from the United States. The principal U.S. juices sold to Germany are orange and grapefruit. Most juice exported to Germany is for use by one of the country's juice processors. However, there are also good prospects for sales of consumer-ready juices.

Germans are Major Consumers of Fruit Juice.

Germany has one of the highest rates of per capita juice consumption in the world. Within Europe, Germany reportedly accounts for about 40 percent of all juice/nectar consumed and has per capita consumption rates well above its neighbors. Next to Germany, the highest rates of juice consumption in Europe are in the center of the continent and Scandinavia, while the lowest are in the Mediterranean region and the east.

Per Capita Juice Consumption for Selected Countries, 1997 (liters per capita)					
GERMANY	41	Sweden	21	Italy	11
Austria	33	Belgium/Lux.	21	Poland	10
Switzerland	30	Great Britain	19	Greece	7
Netherlands	27	France	18	Portugal	6
Finland	26	Denmark	17	Czech Rep.	5
Norway	21	Spain	16	Russia	2

Source: Globus, Wild; includes fruit and vegetable juices and nectars.

In 1997, Germany's fruit juice and nectar consumption totaled 3.4 billion liters, with retail sales valued at Deutsche mark (DM) 3.7 billion (\$2.1 billion). On a per capita basis, Germany's juice consumption has risen steadily -- from about 9.9 liters per capita in 1970 (in the former West Germany) to 41.5 liters in 1997.

Germany: Juice Consumption, 1970-1997 (in liters)							
Category	1970	1980	1990	1994	1995	1996	1997
Total, Billion	0.6	1.3	2.6	3.3	3.3	3.4	3.4
Per Capita	9.9	19.4	39.6	40.5	40.7	41.1	41.5

Source: German Fruit Juice Industry Association (VdF)

Note: Only W. Germany until 1990; estimate for 1997; includes fruit and vegetable juices and juice nectars.

In recent years, Germany's juice consumption has benefited from consumers seeking "healthier" and "lighter" foods and beverages. This and other factors are expected to lead to continued,

albeit slow, growth in total and per capita consumption of juice. The fastest growth is expected for pure, direct- or fresh-pressed juices; “innovative” juice products, referring to packaging or content and flavor; organic juices; functional drinks and “new-age” beverages containing fruit/vegetable juice.

Apple and Orange Juice are the Leading Sellers.

Apple and orange are the most popular juices in Germany and together account for 80 percent of all juice consumed. Other popular juices are multi-vitamin, grape and vegetable. Multi-vitamin juice is made with fruit and/or vegetable juice or blends, supplemented with added vitamins. The most popular vegetable juices are tomato, carrot, beet root and blends.

Germany: Juice Consumption, 1996 (percent of total, volume basis)	
Apple	44%
Orange	36%
Multi-Vitamin	10%
Grape	4%
Vegetable	3%
Others	3%

Source: VdF; percentages by type are only for juice.

Of Germany’s total juice consumption, two-thirds consists of pure, 100 percent juice; the remainder is accounted for by juice nectars. (Juice nectars contain at least 25-50 percent juice.) Recently, German consumers have shown a preference for juice over nectar. Rapid sales growth has also been registered for flavored waters and light fruit-flavored drinks, many containing low or minimal quantities of fruit juice.

Fruit juice sold in Germany must contain 100 percent fruit juice content and must not contain any added coloring or preservatives. Declaring on the label that the product “contains 100 percent fruit” is not mandatory for juice, but is often used by the industry to distinguish it from nectar. Fruit juice made from concentrate must be labeled as such. Special labeling is not required for direct-pressed juice, but again this is often used on labels to denote a superior product. Recently, German consumers have show a preference for fresh- or direct-pressed juices, over juices made from concentrates. Currently, about 15-20 percent of juice sold in Germany is direct pressed.

Multi-vitamin juices are relatively new to the German market. Most of these products contain orange and apple juice and also frequently banana pulp or puree and grape juice, in addition to a touch of exotic fruit extract for flavor. This mix is then enriched with a variety of vitamins, such that 0.20-0.33 liters of the final product contains at least one-third of the recommended daily vitamin intake. Added ingredients are required to be identified on the label.

Nectars must contain a minimum of 25-50 percent juice to be called a nectar. The actual minimum is dependent on the type of fruit juice contained in the nectar. Nectars are particularly

popular for fruits that contain considerable pulp or are highly aromatic, e.g., black currant, sour cherry, apricot, passion fruit and banana. Vegetable nectar must contain at least 40 percent vegetable juice.

Fruit-flavored drinks -- containing a minimum of 6-20 percent juice content -- are also increasingly popular in Germany, both product with and without added carbon dioxide. German consumption of fruit-flavored drinks, without added carbon dioxide, is estimated at about 700 million liters, or the equivalent of about 8.5 liters per capita. In addition, there are increasing numbers of beverage products which have gained in popularity, including flavored waters, some of which may contain only minimal amounts of fruit juice.

The labels on containers of juice nectars and fruit-flavored drinks must state the minimum fruit content.

Direct-Pressed Juice:	100% juice, no added preservatives, coloring, sugar or water
Juice from Concentrate:	contains 100% juice, aroma can be added
Nectar:	a minimum of 25-50% juice content required, depending on type of nectar, e.g., orange nectar must contain a minimum of 50% juice
Fruit Drinks:	a minimum of 6-20% juice content required, depending on type of drink, e.g., orange drink must contain a minimum of 6% juice

(See pages 8 and 9 for details on labeling and container requirements and on German food and beverage law and disposal ordinance.)

Domestic Marketing of Fruit Juice.

Juices and nectars are mostly sold through discount retailers and hypermarkets. Other outlets are traditional supermarkets, specialized beverage “pick-up” stores; convenience stores, such as those located at gas stations; and home-delivery services. Aldi, the leading German discount retailer, reportedly accounts for more than one-quarter of national retail sales of juice/nectar.

Germany: Juice/Nectar Sales, by Retail Outlet (percent of total, volume basis)	
Traditional supermarkets	9%
Hypermarkets	29%
Discounters	47%
... of which accounted by Aldi	27%
Drink markets	7%
Home delivery	2%

Germany: Juice/Nectar Sales, by Retail Outlet (percent of total, volume basis)	
Other	6%

Source: Gfk.

Branded juices and nectars account for about 80 percent of retail sales in Germany. Some of the top producers/marketers of branded fruit juice and nectar in Germany are (with some of their leading brands in parentheses): Eckes AG (Hohes C, granini TrinkGenuss, Dr. Kochs), Dittmeyer/Procter & Gamble (Dittmeyer's, Havelland, Punica, Valensina), riha Richard Hartinger (Fruchtquell), Krings (Krings) and Albi GmbH (Albi). There are many juice producers that may be particularly strong in one of the more local markets in Germany.

The remaining 20 percent of national juice/nectar retail sales are private label or store brands. This segment is, however, expanding relative to the branded product. The discount retailer Aldi, in addition to being a leading retailer of branded juices/nectars, is the market leader in the store-brand category, accounting for 35 percent of national sales. The major supplier for Aldi's store brand juice/nectar is Stute Nahrungsmittelwerke, which also markets its own branded juice.

Retail fruit juice prices are very competitive. A liter of apple juice, in a cardboard carton, can be purchased at discount retailers for about one DM (US \$0.55). Nectars often are sold for less than one DM per liter. Juice in a one-liter returnable glass bottle usually retails for DM 2.5-3.5 (excluding deposit), with a typical price premium of 5-10 percent charged for direct-pressed juices. Premium juices and some of the more "exotic" juices can command prices up to DM 4-5 (\$2.25-2.75) per liter, or more. Refrigerated, direct-pressed, flash-pasteurized juices are priced in the DM 4-6 range.

Most Juice is Sold in Returnable Glass Bottles.

Beverages in returnable glass bottles still dominate the beverage market in Germany. Juice, nectars and fruit-flavored drinks packaged in paper cartons and tetra bags have captured an increasing percentage of the market, particularly the low-price end. Unlike the soft drink market, PET containers and cans have yet to make any major inroads in Germany's juice/nectar market, although an increasing percentage of product is being marketed in these containers.

In Germany, about 60 percent of juice, nectar and fruit-flavored drinks is sold in glass, of which returnable bottles dominate by a three-to-one margin over throw-aways. The highest quality juices are usually packed in returnable glass bottles. Frozen juice concentrate and refrigerated, ready-to-drink juices are relatively uncommon in retail outlets in Germany.

The remaining 40 percent of juice, nectar and fruit-flavored drinks is sold in paper cartons and tetra bags. Both family-size and single-serving sizes are available in addition to the most common 1-liter container. Paper cartons and tetra bags are the most popular containers for the single-serving products and cartons the most popular for the larger and lower-priced, family-size containers (mostly 1.5- and 2-liter).

The German Fruit Juice Industry Association (VdF) operates a system of reusable packaging for its members. Reportedly, this system is now used by two-thirds of Germany's juice/nectar

producers and accounts for about 78 percent of all the juice packed in returnable glass bottles. The current VdF system contains four types of glass bottles and accompanying crates. These bottles and crates are all returnable and require a deposit:

- 0.2-liter bottle, with crown caps in cases of 12
- 0.7-liter, with screw caps in cases of 6
- 0.75-liter, with twist-off caps in cases of 6
- 1.0-liter, with screw caps in cases of 6

Returnable crates in the VdF system have a standard size of 20 x 30 cm to facilitate stacking and transporting. At year-end 1996, there was a pool of more than 650 million reusable bottles, of which 350 million were in circulation.

Domestic Fruit Production Destined for Juice.

German juice production is derived from domestic fruit production, as well as significant juice imports. Reportedly, about 600,000 metric tons of German-grown fruit is processed into juice/nectar annually. About one-half of Germany's large apple crop and 75-80 percent of the pear crop are normally destined for processing, including for juice. Germany also produces significant quantities of grapes and berries, which also are used for fresh consumption and for processing into juice and other products.

Several Companies Dominate Juice Production.

In Germany there are about 450 companies that produce fruit juice/nectar, with about 60 percent produced by the seven largest companies. In 1996, Germany's total production of fruit juice, fruit nectar and fruit juice drinks (without added carbon dioxide) totaled about 4.1-4.2 billion liters valued at about DM 5 billion (\$3.3 billion).

National Fruit Juice Industry Association.

Most of Germany's fruit juice producers are represented by the German Fruit Juice Industry Association, or VdF, which is located in Bonn. Of Germany's 450 juice-producing companies, only about 30 are not represented by the Association.

Verband der deutschen Fruchtsaft-Industrie e.V.
Mainzer Strasse 253
D-53179 Bonn
Tel: (49-228) 95460-0; Fax: (49-228) 95460-20, 30
Home Page: <http://www.fruchtsaft.de>

Substantial Juice Imports, Mostly Apple and Orange Concentrates.

German fruit juice imports are large. Over the 1994-97 period, Germany's average annual juice imports ranged from a low of \$657 million in 1994, to a high of almost \$1 billion in 1996. In 1997, Germany imported juice valued at \$838 million, down 16 percent from 1996. With the U.S. dollar strengthening about 15 percent against the DM in 1997, Germany's 1997 juice imports in DM-terms were only marginally below those registered in 1996.

Germany: Juice Imports, by Type, 1994-97 (million U.S. dollars)				
Juice Type	1994	1995	1996	1997
Citrus, excl. mixtures	\$268	\$420	\$449	\$340
Others	\$289	\$504	\$549	\$498
Total	\$657	\$924	\$998	\$838

Source: German import statistics.

Germany's principal juice imports are frozen concentrated orange juice and concentrated apple juice, mostly for use by Germany's juice and food processors. Brazil is the major supplier of orange juice, while most of Germany's apple juice imports come from Poland, Italy, Turkey, Austria and the former republics of the Soviet Union. The United States was Germany's leading supplier of grapefruit juice in 1997, followed by Cuba, Belize and South Africa.

Germany: Fruit Juice Imports, by Type, 1997		
Juice Type	US\$ Mil	Major Suppliers
Orange	\$293	Brazil, Netherlands **
Grapefruit	\$17	U.S., Cuba, Belize
Other citrus	\$29	Italy, Argentina
Apple	\$318	Poland, Italy, Turkey
Grape	\$46	Italy, France
Cherry	\$20	Turkey, Iran
Pear	\$18	Italy, Switzerland
Pineapple	\$24	Indonesia, Thailand
Other *	\$73	various
Total	\$838	

(*): Includes other, mixed and vegetable juice.

(**): Germany imports significant quantities of juice re-exported from neighboring countries, particularly the Netherlands.

Source: German import statistics, using DM 1.735 equals one US\$.

Germany's large juice processors may import their juice requirements directly, or source these products through a local importer, broker or agent. For imported consumer-ready products, Germany's major retail organizations will rarely import products directly from countries outside Germany or the European Union (EU). Instead, they traditionally source their product needs through a local importer or broker/agent. This practice is typical for most food and beverage products imported into Germany from the United States.

Import Tariffs on Juice are High.

Tariffs assessed on German fruit juice imports are dependent on the type of juice and the country of origin. All juice imported into Germany from other EU-member countries enters duty-free. Juice is also imported duty-free from certain countries where Germany (EU) has tariff preferences. All fruit juice imported into Germany from the United States is subject to a tariff. Higher EU tariffs are assessed on imported U.S. juice that has added sugar.

Most EU tariff rates on U.S. juice imports vary from 15.8 percent to more than 45 percent ad valorem.

Germany also Exports Substantial Quantities of Juice.

Germany also exports significant quantities of fruit juice. In 1997, exports totaled \$422 million, about three-quarters of which consisted of orange and apple juice sent to other EU-member countries, particularly France, but also the Netherlands and Belgium/Luxembourg. Germany also exports substantial quantities of juice to the United States, eastern Europe and Russia. Apple juice concentrate represents one of Germany's principal agricultural exports to the United States, valued at about \$80 million in 1997.

Germany: Fruit Juice Exports, by Type, 1997		
Juice Type	US\$ Mil	Major Markets
Orange	\$157	France, Netherlands, Belgium/Lux
Grapefruit	\$4	France, Belgium/Lux
Other citrus	\$2	France, Belgium/Lux, Netherlands
Apple	\$155	U.S., Netherlands, Great Britain
Grape	\$7	France, Netherlands, Belgium/Lux
Cherry	\$8	Russia, U.S., Netherlands
Pear	\$7	Great Britain, U.S., Netherlands
Pineapple	\$8	France, Belgium/Lux
Other *	\$74	various
Total	\$422	

(*): Includes other, mixed and vegetable juice.

Source: German import statistics, using DM 1.735 equals one US\$.

Best Market Prospects.

The EU represents the second largest U.S. export destination for fruit and vegetable juices, after Canada. In 1997, U.S. exports of fruit and vegetable juice to the EU totaled \$150 million. Of these exports, about two-thirds consisted of frozen orange and grapefruit juice. In addition, the United States supplies significant quantities of prune and cranberry juice to the EU. A substantial part of U.S. juice exported to the EU is destined for Germany, either directly, or through other EU countries such as the Netherlands. Most U.S. exports of juice to Germany is for use by one of Germany's many juice or food processors.

Concentrated orange and grapefruit juice for use by Germany's juice and food processing industries are expected to remain the best prospects for U.S. juice exports to Germany. There are, however, good opportunities for U.S. suppliers of consumer-ready product, particularly supplying a niche segment of the market.

Market prospects are good for consumer-ready orange and grapefruit juices (and blends) that are identified as being produced in the United States (or Florida). Non-traditional and exotic juices, particularly those not produced in Germany, also have good prospects in Germany. Among the U.S. juices fitting this description are prune, Florida key lime, Hawaiian pineapple, cranberry and certain berry juices. Direct pressed and/or refrigerated, lightly pasteurized juices and juice blends are relatively new products that have gained some market penetration of late. Organic juice is also growing in popularity, although also accounting for a relatively small share of the market.

Eating and drinking "light", health, wellness and wholesome products are some of the leading trends in the German food and beverage market. Consumers are also looking for innovative and "fun" products. Offering a beverage (including packaging) that addresses some of these factors may be helpful in exporting a consumer-ready product to Germany. The U.S. lifestyle and culture have positive connotations in Germany and are themes often used to market U.S. and U.S.-style foods and beverages.

Within Germany, the eastern section probably offers the best opportunities for further growth in consumption. The lower per capita juice consumption rates that characterize the eastern region of the country are rising to more nearly match the high consumption rates in the west.

German Trade Shows for Juices.

Among the best German trade shows for those U.S. exporters interested in marketing juice in Germany are ANUGA, Food Ingredients-Europe, International Fruit Juice Week, IMEGA and Internorga. U.S. exporters of organic juices may want to consider the Bio Fach trade show.

Food Law, Labeling and Packaging Requirements.

All food and beverage products imported into Germany for retail sale must be labeled in German (multi-language labels are allowed) and provide details regarding the name of the product, ingredients, food additives, shelf-life date and the name and address of the importer or manufacturer. All measurements must be in the metric system. Special labeling requirements apply to certain beverages, e.g., vitamin-enriched, dietetic, etc. Container sizes are mandated for fruit juices. Products packaged in non-standard container sizes must comply with special requirements.

Fruit juice and nectar must be clearly and unambiguously identified in accordance with applicable legal regulations. The use of concentrate and fruit pulp must be specified on the label along with the minimum fruit content, in percent, for fruit and vegetable nectar and fruit-flavored drinks. For fruit nectar the minimum fruit content must be between 25-50 percent and for vegetable nectar a minimum of 40 percent. For fruit-flavored drinks, the prescribed minimum fruit content varies between 6-20 percent; there are also calorie-reduced versions. The list of ingredients must specify all other types of fruit used and the general composition of the beverage.

Germany has established legislation which contains rules for the disposal of packaging materials.

In response to this legislation, an organization called “Duales System Deutschland” administers the use of the “Green Dot”, a recycling symbol which is found on the packaging material of virtually all products sold in Germany. While packaging material can legally be sold without the “Green Dot”, it is almost impossible to market a product without it.

The importer is legally responsible for ensuring that products meet German (EU) food law, packaging and disposal requirements. The U.S. exporter should consult with their importer for further details.

More Information.

If you should have questions about the German market for agricultural products, or want to learn more about exporting U.S. agricultural products to Germany, contact one of the following Foreign Agricultural Service (FAS) offices:

<p>U.S. Agricultural Trade Office, Hamburg, Germany for assistance on marketing U.S. agricultural products in Germany, e.g., contacts, trade shows and marketing reports</p>	<p>Tel: (49-40) 41 4607 - 0 Fax: (49-40) 41 4607 - 20 E-Mail: ATOHamburg@fas.usda.gov www.usembassy.de/atohamburg</p>
<p>Office of Agricultural Affairs, Bonn, Germany for assistance with tariffs and info on German food and beverage law</p>	<p>Tel: (49-228) 339-2133 Fax: (49-228) 334-697 E-Mail: AGBonn@fas.usda.gov</p>
<p>Ag Export Services Division, Washington, DC first-stop for basic export info and assistance on exporting U.S. agricultural products</p>	<p>Tel: (202) 690-1182 Fax: (202) 690-4374</p>
<p>Or, visit FAS "on line" at:</p>	<p>www.fas.usda.gov</p>

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